

**Small Business Regulatory Fairness Board
Board Meeting
October 2, 2006
Springfield, MO**

Board Members in Attendance: Chairman Scott George, Vice Chairman Randy Angst and Michael Ocello

Board Members Absent: Merill Wade, Maria Guadalupe Taxman, Representative Trent Skaggs, Representative Brian Baker and Senator Gary Nodler

Guests: Wendell Bailey, US Small Business Administration; Morris Westfall, Governors Office; Roberta Johnson, Ash Grove; Kevin Stover, Missouri Department of Economic Development; Carla Mason, Missouri Department of Economic Development; Krista Zurkamer, Missouri Department of Economic Development

Chairman Scott George called the SBRFB October 2, 2006 meeting to order at 10:07 a.m. Chairman George welcomed everyone to the meeting and thanked all in attendance for their support. Chairman George also commented on the importance of the Public Hearings and his anticipation of the testimonies from Missouri Department of Insurance and Missouri Department of Transportation today.

The board members, supporting staff and guests made introductions.

Chairman George concluded opening comments and called for the minutes of May 1, 2006 meeting to be read.

Minutes from the May 1, 2006 Public Hearing were included in the meeting agenda but not the board minutes. Due to the absence of the minutes Chairman George bypassed the reading of the minutes.

SBRFB Elections

Chairman George introduced the yearly elections for the SBRFB Chairman and Vice Chairman.

Michael Ocello

Nominated Scott George as Chairman and Randy Angst as Vice Chairman.

Vice Chairman Randy Angst

Vice Chairman Angst seconds the nomination of Chairman George and commended Chairman George for his leadership and admirable direction of the board.

Chairman Scott George

Chairman George seconds the nomination of Vice Chairman Angst and thanked him for his service and guidance.

Chairman George called for any other nominations. Motion to approve by acclamation.

All approved, motion carried.

DED Staff Progress Report

Kevin Stover

Kevin Stover introduced a few items to the SBRFB in accord with their objectives. The Missouri Portal is in development to provide assistance to small business and to be utilized as a website marketable tool. There is a cluster of agencies all jointly working together to create and maintain the Missouri Portal. The website will cover a wide range of areas important to small businesses. Some of which include license taxation, business start-up, business expansion and research assistance. The Missouri Portal will be a cornucopia of information and allow for a better line of communication between small business and state agencies. Kevin also commented on the recent Missouri Department of Economic Development Governor's Conference and the break out session on entrepreneurship. Kevin was a guest speaker on this small business panel and promoted the SBRFB and its mission.

Chairman Scott George

Chairman George commented on the Missouri Portal as a terrific function. On the federal level they have something similar and this is a tool he utilizes himself. Chairman George also thanked Kevin Stover for passing on information about the SBRFB at the Governors Conference.

Kevin Stover

Kevin concluded that the Missouri Portal is a joint state agency effort and will be linked throughout other groups. The Missouri Portal is slated to go live June or July 2007.

Carla Mason

Carla Mason commented on the additions of the SBRFB website and creation of the brochure. Carla also reviewed the progress of the action list. Letters have been sent out to all state agencies introducing the SBRFB and their recommendations. The letter also states appointment of a representative to the SBRFB with a deadline of October 8, 2006.

Chairman Scott George

Chairman George asked how many state agencies are in existence.

Krista Zurkamer

There are 16 and we have confirmation or communication from 8.

Carla Mason

Carla Mason commented on our continued progress with creating a systematic process. Carla introduced the 2 small business comments DED has been working on, Roberta Johnson and Tom Kauffman. Roberta Johnson comments were dealing with the

Department of Transportation and Tom Kauffman's were Office of Administration. Carla did ask the SBRFB if we wanted to include the small business comments on the website.

Chairman Scott George

Chairman George stated it is public record but we may focus on success stories.

Micheal Ocello

Micheal Ocello voiced the importance of involving the small business in the decision; the business may or may not want the whole of the comments posted on the website for all to see.

Vice Chairman Randy Angst

Vice Chairman Angst agreed it need to be a voluntary submittal.

Chairman Scott George

Chairman George agreed also permission was need by the small business and he like to idea of success stories being the focus.

Carla Mason

Carla Mason added that DED is working on a mechanism for small business to access regulatory rule alerts. We are in discussion with MarketVolt to provide a subscription link on the SBRFB website for small business to sign up for the alert email. There will be a page on the website posting the regulatory rules and on this page will be the link to the subscription. MarketVolt would create a mass distribution list from the subscriptions that we would in turn use to mail out the alerts. DED uses MarketVolt for our weekly Focus Newsletter. The subscriber would have the ability to forward the mailing too.

Kevin Stover

MarketVolt is a 3rd party contracted firm we use widely and has been around for many years. They have a strong support staff behind them. With the assistance of MarketVolt SBRFB would have the capabilities to reach a wide audience, for example our weekly Focus newsletter subscribes to 3000 people. We are in discussions with MarketVolt at this time to establish if this process would be applicable.

Discussion continued about the MarketVolt subscription and how it would work. Areas discussed about the regulatory rule alert mailing were content, frequency, independent link, agency separation and appearance of web page.

Vice Chairman Randy Angst

Vice Chairman Angst asked for a progress report on the sewer concerns of Richard Johnson.

Carla Mason

Carla Mason advised the board at this time we have nothing to update on.

Vice Chairman Randy Angst

Vice Chairman Angst updated Morris Westfall on Richard Johnson and his community issue with the sewer system. Department of Natural Resources has repeatedly over the years revised their regulatory rules on clean water laws. DNR has since reported to the community they are responsible for funding and creating a new sewer system.

Morris Westfall

Morris Westfall commented on his history and background in clean water laws. Morris advised to follow through with Richard Johnson comments. Morris also asked to keep advised of the situation as it evolves.

Chairman Scott George

Chairman George advised the DED staff that all small business that testify need to be addressed with the designated state agency by letter with comments voiced. The state agency then has 30 days to respond to the small business and SBRFB. Chairman George advised this is an area the agency will be graded on.

Vice Chairman Randy Angst

Vice Chairman Angst encouraged DED to follow up for a response and keep the momentum going.

Carla Mason

Carla Mason said we will develop a systematic process for the small business comments. Carla asked the board how they would prefer the DED staff to handle updates in regards to the comments.

Chairman Scott George

Chairman George advised a spreadsheet be created to keep track of the comments and their progress. This will allow for the SBRFB to know who is responding in a timely manner and who is fulfilling their recommendations. Chairman George did mention the close time proximity of the new DED staff coming in to the SBRFB. Chairman George also talked about how this experience will develop over time and become more efficient.

Micheal Ocello

Micheal Ocello expressed his wishes to have an action list after every meeting and a monthly update on the progress of small business comments.

Kevin Stover

Kevin Stover advised we eliminate from the list the comments completed monthly.

Krista Zurkamer

Krista Zurkamer announced she was creating a Distribution List to get the SBRFB information out. Krista currently has a list of 180 Chamber of Commerce, 16 state agencies and a variety of SBA contacts. Krista encouraged the board to contact her with any specific organizations or people in addition to include in the list. Krista also discussed with the board a training presentation being put together by Carla Mason and

herself for the state agencies in regards to the SBRFB. Material discussed would be the SBRFB objectives, recommendations, expectations and concerns. The presentation would be in late October or early November and all liaisons would be required to attend. Krista also extended an invitation to all SBRFB members with logistical information to follow. Krista introduced a few documents submitted by Daryl Hylton.

Discussion continued about the documents submitted by Daryl Hylton. Rule: Small Business Impact Statement Requirements, Rule: Post Public Hearing Small Business Statement, Small Business Impact Statement Form, State Agency Public Hearing Statement Form and authority letter for Krista Zurkamer to Secretary of State Robin Carnahan.

Daryl Hylton-Daryl Hylton was contacted by telephone to explain the Post Public Hearing Small Business Statement.

Vice Chairman Randy Angst

Vice Chairman Angst asked what authority we have to hold the state agencies accountable except for a grade.

Daryl Hylton

The Rules include numbers 1 through 3 within the proposed rule. Krista has been granted authority to file on behalf of the Board so we can move quickly through this process. It is not incumbent on the agencies to get back with us.

Vice Chairman Randy Angst

Vice Chairman Angst asked if it is possible to develop a letter asking the agency to respond to the Boards questions.

Chairman Scott George

Chairman George said we cannot force an agency to resolve a comment. As long as we are making requests of the agency the only enforcement we have is that grade in the annual report. He further stated that there are agencies at the federal level that have consistently made poor grades in relation to regulatory fairness.

Micheal Ocello

Micheal Ocello agreed with Vice Chairman Angst that we do not want to grade anyone unfairly and since there is some question as to whether ample attention has been given to the comments submitted in relation to whether the Board fulfilled it's obligation to request information. With that said Micheal Ocello made a motion that the Proposed Rule be accepted.

Vice Chairman Randy Angst

Vice Chairman Angst seconded the motion.

Chairman Scott George

Chairman George suggested that Carla Mason's name replace Sharon Gulick's information under the Notice to Submit Comments.

Kevin Stover

Kevin Stover suggested that Krista Zurkammer's name be placed under the Notice to Submit Comments instead of Carla Mason.

Micheal Ocello

Michael Ocello made a motion to amend and accept the rule as changed.

Vice Chairman Randy Angst

Motion was seconded by Vice Chairman Angst.

Chairman Scott George

Chairman George entertained the motion to have the Small Business Impact Statement Requirements voted.

Michael Ocello

Micheal Ocello made the motion for the vote.

Vice Chairman Randy Angst

The motion was seconded by Vice Chairman Angst.

All approved, motion carried.

2006 SBRFB Annual Report

The Board is required by statute to provide an annual report. Chairman George had this subject on the schedule to see what the Board wants to do in reference to the five recommendations to State agencies.

Michael Ocello

Micheal Ocello stated that it is a positive sign that eight agencies have appointed small business liaisons.

All SBRFB members agreed that a status report based on what has taken place should be submitted to the Governor and Legislators. This will be more of an industry report.

Kevin Stover

Kevin Stover suggested that a scorecard example be included in the report.

Micheal Ocello

Micheal Ocello agreed.

Small Business Comments

A discussion regarding the small business comments provided in the information packet. The Board discussed Mr. Henry's comment which will be heard in this afternoon's hearing. The second comment, Ms. Thomas, was discussed as to whether the outrage was because the business owner was able to operate a business illegally.

Chairman Scott George

Chairman George said there is nothing the Board can do with Ms. Thomas' comment.

Wendell Bailey

Wendell Bailey said we are ahead of other states that are trying to get their hands on regulatory affairs. He said at the federal level, small business pay an extra ordinary cost of the federal regulatory costs. He said small businesses get whacked. He said at the state level the toolbox is not there to see how much regulatory fees cost small business. Businesses with fewer employees are not able to spread out the cost like Kansas killed this bill in the small business committee last year because they were concerned about the judicial review and whether this would give small businesses the right to sue state agencies. Kansas has a committee that has asked for the Missouri legislation so they can have something to look at for legislation. They are waiting to see which governor gets elected, Iowa is doing the same. Nebraska just puts out the regulation, they do not have this is a brief of the four Midwest states. There is a new federal truck drivers driving regulation coming out. There are regulations coming down the pipe in air pollution regarding harmful toxins. Wendell said keep up the work because it is a huge subject.

Vice Chairman Randy Angst

Vice Chairman Angst said he has a construction company in Lebanon that is impacted heavily because of the truck driving regulation. He said he knows these regulations have a significant impact on the businesses in his area.

Wendell Bailey

Wendell Bailey discussed that a lot of work needs to be done based on billboard laws after a natural disaster, which says that you can't put the billboard back up. However if it is from vandalism, the sign can be replaced.

Discussion and comments continued.

Chairman Scott George called a fifteen minute break.

SBRFB meeting resumed at 12:40 p.m.

Unfinished Business

Vice Chairman Randy Angst

Vice Chairman Angst congratulated the board on the selection for today's hearing. Vice Chairman Angst believes it is a good selection taking the meetings where the issues might be and allowing small business owners' access to the board.

Chairman Scott George

Chairman George talked about a time frame, original question “When is the next meeting”, my answer is to concentrate on the hearing and schedule the meeting around the hearings. Our format up to today has been going where the small business comments are and I feel this is a proactive approach.

Michael Ocello

Micheal Ocello expressed his outlook for the SBRFB timeline. This year the SBRFB will be establishing status: valuing the small business comments and getting the agencies to attend the meeting. Next year the SBRFB will really focus in on the content gathered. It is crucial to value the way the first meeting went because this created dialogue.

Chairman Scott George

Chairman George expressed his agreement in going where the small businesses are. Chairman George also stressed the importance of adequate notice of the meetings. For the public hearing today there was only a 2 week notification. Small business owners need an adequate amount of time to plan and organize. Chairman George urged a 30 day notification from hence forth. Chairman George concluded that the board is happy with the format of the meetings and the format of going where the comments are.

Michael Ocello

Michael Ocello expressed his concerns with the state agencies not being able to travel state wide for the public hearings.

Chairman Scott George

Chairman George explained the federal regulatory fairness board had 10 moving meetings across the country. There were federal agency representatives at all the meetings no matter location. The board was happy to see them at every meeting and it provided easy accessibility.

Wendell Bailey

Wendell Bailey began telling the SBRFB about the trailer industry and the federal Department of Transportation. Manufacturers of trailers have to file all stats involving trailer accidents. In order for manufacturers to qualify the production of 500 trailers a year need to be manufactured. This is fine and understandable until you dive into the lawn mower industry who would also qualify. In most cases people try to do the right thing by filing but there are those out there that do not fulfill their requirements. The small businesses do not comment with the feeling of less importance.

Micheal Ocello

Micheal Ocello asked for more information on the small business protection for anyone who testifies.

Chairman Scott George

Chairman George divulged there has never been a record of retaliation. There is no protection but we have been encouraged as to if there should happen to be retaliation the house and senate will be displeased and hearings will commence the following Monday.

Micheal Ocello

Micheal Ocello asked if board members could discuss the business of the SBRFB with groups and organizations.

Chairman Scott George

Chairman George said each of the members have been involved enough with the SBRFB to market the objectives of the board.

Chairman Scott George adjourned the meeting until after the public hearing at 12:57 p.m.

Chairman Scott George called the meeting back to order at 3:30 p.m.

Discussion commenced post Public Hearing on the speakers, state agency representatives and the information discussed. Everyone felt encouraged by today's Public Hearing and hope to continue making progress. Everyone was in agreement that we had 3 great representatives of small business and felt encouraged by their openness. Board members were in agreement about the Department of Insurance, it was felt they should be commended for their willingness for reevaluation. There was a significant difference in levels of commitment between the state agencies. The Department of Insurance was very accepting of the SBRFB and the Department of Transportation had more avoidance. All agreed today is a good beginning in getting communication flowing between all parties.

Chairman Scott George

Chairman George commented on his satisfaction of today's Public Hearing. Chairman George did voice his anticipation for 6 small businesses to step up to testify at the next Public Hearing. Chairman George also feels the SBRFB should be doing everything in their power to encore a sample of topics.

Kevin Stover

Kevin Stover did note a theme developing with small business and technology. Our small businesses who are developing leading technologies do not find state support available within Missouri. It is much easier for the business to go on either coast or the Deep South than stay in Missouri. Much of their reactions are I was born here, I raised my children here and I want to stay here but I need to go where my business prospers.

Vice Chairman Randy Angst

Vice Chairman Angst suggested to Carla Mason to utilize today's events and market the aspects favorable in today's events by newsletter and media.

Carla Mason

Carla Mason agreed with Vice Chairman Angst and suggested the Focus Newsletter and an article across the wire.

Kevin Stover

Kevin Stover encouraged the relationship between the SBRFB and the media. Kevin believes this relationship would give the board much needed attention and awareness.

Micheal Ocello

Micheal Ocello offered his services in marketing today's events through an acquaintance in the news business. Krista Zurkamer will type up the minutes before the end of the week and make sure Micheal gets a copy.

Discussion began about the next scheduled meeting.

Chairman Scott George

Chairman George agreed as with the earlier discussion to go where the comments are for the Public Hearing. Chairman George also advised who would write the 2006 SBRFB Annual Report and its contents.

Kevin Stover

Kevin Stover suggested using the federal report as a guideline to gather your thoughts and ideas. Especially note the grading card. Kevin also offered the services of DED press office to draft a copy of the report with a guideline submitted by the board.

Chairman Scott George

Chairman George encouraged a person present at the hearings to write the report in its entirety. Once the report is drafted it is difficult to change. Chairman George acknowledged himself as putting some things together for the report and corresponding with the SBRFB as the report progresses. Chairman George also asked the board members which day during the week they preferred to have the next meeting.

Vice Chairman Randy Angst

Vice Chairman Angst suggested a Tuesday, Wednesday or Thursday because Monday and Fridays are difficult days for small business owners.

Micheal Ocello

Micheal Ocello suggested Tuesday was convenient for him.

Vice Chairman Randy Angst

Vice Chairman Angst concurred on Tuesday.

Chairman Scott George

Chairman Scott George suggested February 13, 20 or 27.

SBRFB members agreed on February 13, 2007 in St Louis unless the comments lead us to another location.

Chairman Scott George also reviewed the term expiration dates for all members. There is some discrepancy with the term dates and Krista Zurkamer will further investigate.

With no other business Chairman Scott George adjourned the meeting at 4:10 p.m.